

DATE: January 31, 1985

TO: SHB

FROM: DEL 

SUBJECT: Title Background of Property Sold to Wacker

In my investigation I have contacted: Lyle Stewart who was the consultant for the Development Commission in determining feasibility of the Northwest Front Avenue Industrial Renewal Project (772-5203); Bob Schleining of W.B. Wells, Surveyors (284-5896), knowing that he has been in Portland all of his life in the surveying business but was unable to assist; Gerry Curtis, appraiser (222-7066), who is an active downtown appraiser that was unable to assist; Jim Czmowski of Multnomah County who is in charge of all map changes (248-3375), who was unable to assist and referred me to Jim Searcy in the City Permit Department who was unable to assist; Elmer Kolberg, appraiser (297-4731), who prepared the acquisition appraisal report and referred me to the Corps of Engineer Real Estate Department; John Holman at the District Corps of Engineer (221-6046) who referred me to Sandy Jopel of the Port of Portland (231-5000); Roger Neu now working for Schnitzer (224-9900) and still attempting to locate information.

Title Company public records begin at August 13, 1906 which shows the property owned by Portland & Seattle Railroad Company. On December 31, 1962, a Contract of Sale was entered into between Spokane, Portland and Seattle Railway Company and Northern Pacific Railway Company, and H. A. Andersen and A. Victor Rosenfeld for the purchase of T.L. 119, Section 12, T1N, R1W; T.L. 3, Section 13, T1N, R1W; and T.L. 40, Section 13, T1N, R1W, for a purchase price of \$83,187 with interest at the rate of 6% per annum beginning December 31, 1962. The agreement provided that Purchaser agrees to fill, by dredge or otherwise, the property purchaser owns or controlled by them to an elevation that shall not exceed the elevation of the top of the subgrade of the presently existing roadbed section of the Railway Companies Astoria Line of railroad track. Also when making such fill purchaser shall also fill adjoining lands of the Railway Companies if such lands have not been filled prior to start of purchaser's filling, with agreement that Railway Companies will reimburse purchaser for the cost of fill placed on Railway Companies' land at the same price per yard paid by Purchaser for fill placed on their lands. Further, since there is considerable water draining through existing Railway Companies' culverts and into the area to be filled by purchaser, when filling said area, purchaser shall provide for and assume all costs of handling said drainage northerly of and outside of Railway Companies operating right of way and maintain in such a manner that the present flow of water through said culverts will not be impaired.

The agreement also provides that if purchaser fails to construct industrial buildings on the property at a cost of not less than \$200,000 or commence the construction of such buildings with the means and for the purpose of completing the same with reasonable diligence prior to December 31, 1973, Railway Companies shall

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have the right, privilege and option to repurchase the property at a sum equal to the principal sum paid to Railway Companies by purchaser plus such additional sums as purchaser may have expended in the actual cost of constructing drainage facilities and placing fill material on the property; provided, however, that Railway Companies shall exercise said option within one year after December 31, 1973, or such time as may be extended for the construction of the industrial buildings on the property.

On March 31, 1964, Spokane, Portland and Seattle Railway Company conveyed a two-thirds interest in the property to Andersen/Rosenfeld; Northern Pacific Railway Company conveyed a one-third interest in the property to Andersen/Rosenfeld; and on same date Andersen/Rosenfeld conveyed a one-third interest to Gilbert Schnitzer, as trustee for Manuel Schnitzer, Morris Schnitzer, Gilbert Schnitzer and Leonard Schnitzer under a trust agreement dated March 31, 1964.

The Agreement of December 31, 1962, was amended in December, 1968, as follows:

"The Purchasers agree to fill, by dredge or otherwise, the area described to a minimum elevation of 30 feet (USGS datum), more or less, provided such fill shall not exceed the elevation of the top of the subgrade of the presently existing adjacent roadbed section of the Railway Companies Astoria Line."

and

"In the event the Purchasers fail to fill said property to elevation 30, more or less, as above stated by December 31, 1973, or fail, prior to the 31st day of December, 1978, to construct industrial buildings on said property at a cost of not less than \$200,000.00, or to commence the construction of such buildings with the means and for the purpose of completing the same with reasonable diligence, Railway Companies shall in either such event have and Purchasers hereby give and grant to Railway Companies the right, privilege and option to repurchase said property at a sum equal to the principal sum paid to Railway Companies by Purchasers under this contract, plus such additional sums as Purchasers may have expended in the actual cost of constructing drainage facilities and placing fill material on said property in accordance with the provisions of this contract; provided, however, that Railway Companies shall exercise said option within one year after default by the Purchasers, or such further time as may be extended for performing such fill or constructing such industrial buildings on said property as herein provided."

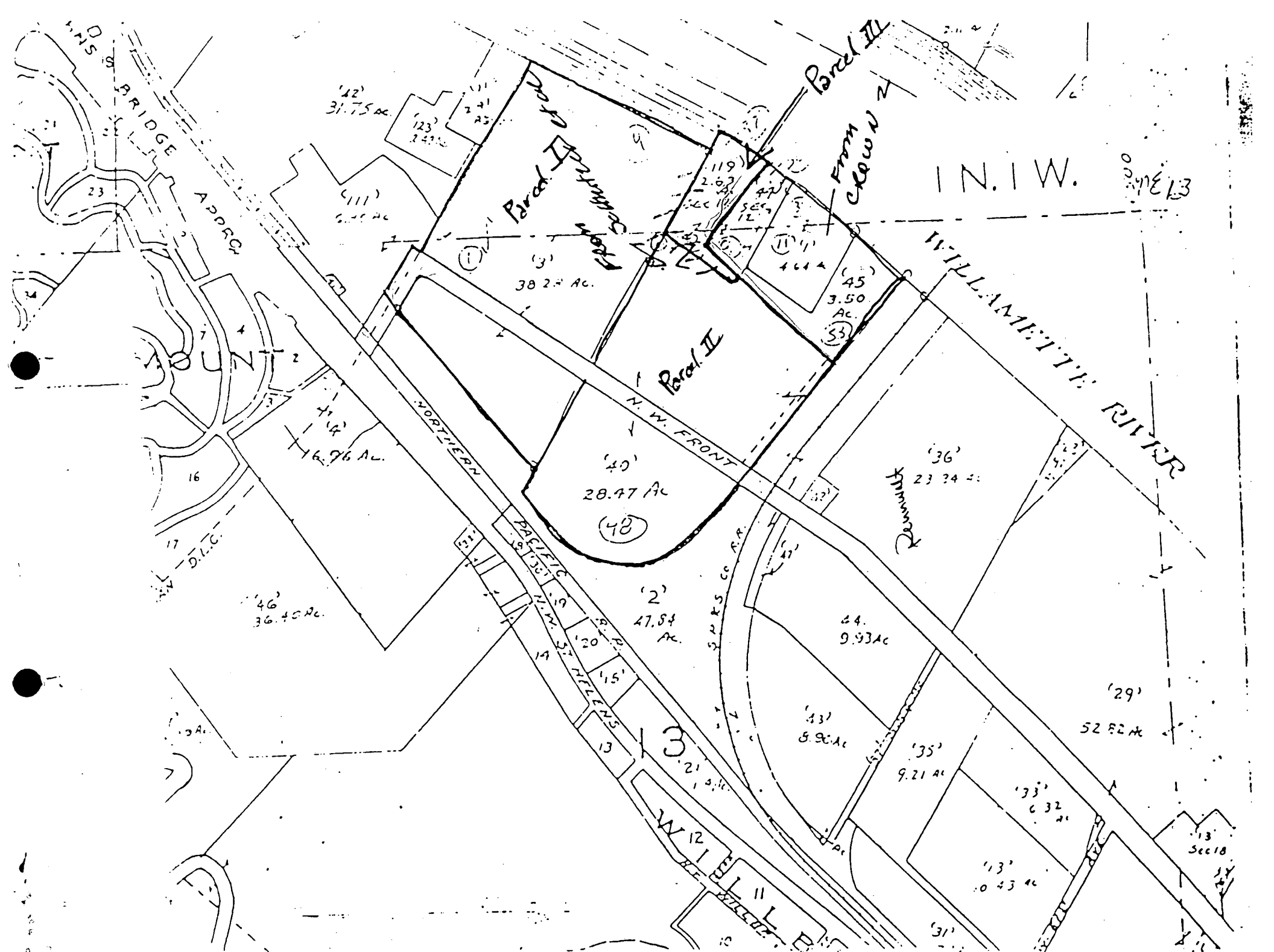
Since I have been unable to obtain an exact date of when the fill actually took place but still waiting for a response from Roger Neu of Schnitzer and Sandy Jopel of the Port, the only other clue we have at this time is from Jack Mills of the Gas Company who searched their files and found correspondence that could have been related in 1974-75. I will continue to research this date.

The Commission concluded its condemnation action with a Stipulated Judgment dated August 15, 1978, which provided for payment to Schnitzer, et al the sum of \$3,095,680, and \$100,000 to Spokane, Portland and Seattle Railway Company and Burlington Northern, Inc. On August 17, 1978, a deed was recorded conveying to PDC T.L. 44, Section 12, T1N, R1W; T.L. 1, Section 13, T1N, R1W; and R.L. 45, Section 13, T1N, R1W, from Crown Zellerbach Corporation for a purchase price of \$474,815. (A map is attached showing the two acquisition parcels which were sold to Wacker.)

On May 26, 1978, a Disposition and Development Agreement was entered into with Wacker Chemical Corporation and Wacker Siltronic Corporation for the purchase of the property for \$14,000 per acre. A credit against the purchase price was given for the cost of preloading which was the obligation of the Commission but done by Wacker for \$217,000. The Deed was given on August 17, 1978, at which time we received \$977,052.80 which was computed:

85.3252 Acres X \$14,000/Acre	\$1,194,552.80
Less preloading credit	<u>(217,500.00)</u>
	<u>\$ 977,052.80</u>

If you have any questions relating to agreement terms, I do have copies of the agreements and deeds in my file.



Notes

- PDC
- (1) 1960 Upper Right Corner Note ? Penn Walt Ponds
 - (2) 1970 Note 2 Doane Lakes & Doane Point South of GASCO
 - (3) 1961 (Rev.? 1970 & 1975) Doane Lakes & Elev. 20 Indicates Flooding Area
- G
- (1) 1940 Area Is Covered By Brush
 - (2) 1958 [±] Area Is Obscure, Note Cat. Tractors Working
 - (3) (No Date) [±] 1975 - Sand Dredge Pipeline & Workmen's Cars On Site
 - (4) 1984 Site Photo
 - (5) 1984 GASCO Site Photo
- P
- (1) Site
 - (2) Note - Ponds
 - (3) Note - Abandoned Gas Line
 - (4) Note - Part V Sewer Work
- S
- (1) 1905 Railroad Bridge Plot Plan, Note - Size of Doanes Lake
 - (2) 1969-73 Topog Map, Note - Oil Lines In Front Avenue Row & Shoreline Footings Etc.
 - (3) 1978 - Storm Sewer Drawings
 - 1 of 16 - Plot Plan
 - 2 of 16 - N.E. Plan & Profile - Note - Dredge Fill
 - 3 of 16 - N.W. Plan
 - 4 of 16 - S. Plan- Note - Black Sand
 - 5 of 16 - Front Avenue- Note - Olympic Pipe Line 2 ea. 14"
 - 6 of 16 " " " " " " "
 - 7 of 16 " " " " " " "

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